

EUROPEAN ECONOMY

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DIRECTORATE-GENERAL FOR ECONOMIC AND FINANCIAL AFFAIRS

Supplement B

Business and consumer
survey results

No 11 – November 1993

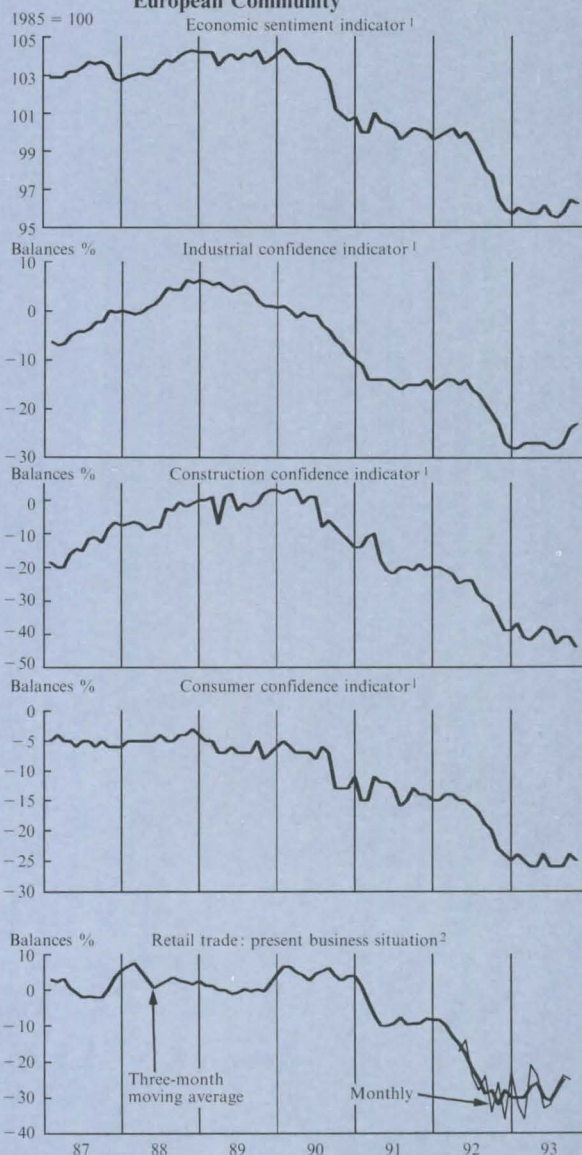


*In this number:
Capacity utilization in industry.
Developments in
the automobile industry (p. 9)*

THE MAIN POINTS IN BRIEF

- The economic situation in the Community is still marked by a low level of activity. However, the economic climate has not deteriorated any further in recent months, and tentative signs of a cyclical turnaround are now discernible.
- In October consumers were again more pessimistic than in September, with the result that business confidence in the Community ebbed again somewhat, reaching a new low.
- Against this, confidence in industry showed a further pick-up, the main contributory factor being managements' more optimistic assessments of order-book levels and of the expected trend of industrial exports.
- Capacity utilization in industrial firms in the Community was, for the first time, slightly higher than in October 1989. It was only in Germany, Luxembourg and Portugal that capacity utilization showed a further decline.

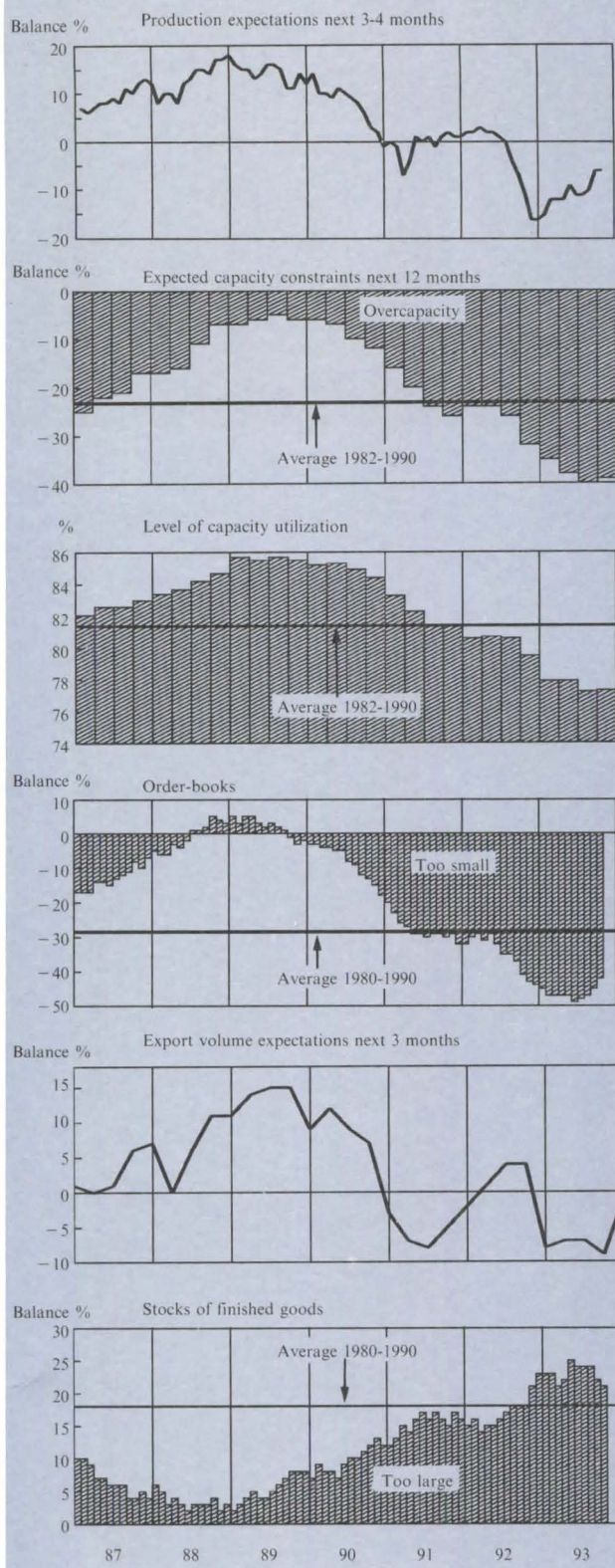
GRAPH 1: Indicators of economic sentiment – European Community



¹ See notes to Table 8.

² Not seasonally adjusted.

GRAPH 2: Indicators of output and demand in industry — European Community



The economic climate in the Community is improving only slowly.

— The economic situation in the Community is still marked by a low level of activity. However, the economic climate has not deteriorated any further in recent months, and tentative signs of a cyclical turnaround are now discernible. In nine of the twelve Member States, the most recent results of the business surveys point to an easing of pessimism among managers in industry and the retail trade. However, managers in the construction industry and consumers are more cautious about economic developments. Activity is still being held back by sluggish domestic demand. While investment expenditure that is sensitive to the economic cycle has contracted further, the

persistently depressed level of private consumption also continues to act as a brake on activity.

In October *consumers* were again more pessimistic than in September. The current consumer climate in the Community has thus worsened, with the survey results and the overall economic picture holding out little hope of a revival in private consumption. In Germany, Spain and the Netherlands, the loss of confidence among consumers has been particularly pronounced: the decisive factor here was lower expectations concerning the general economic trend. Consumers in the Community are also more concerned about their jobs. On the other hand, although they had anticipated greater price stability in September, their assessment of the future price trend was unchanged in October.

The views among *retailers* regarding their economic situation in September were virtually unchanged, following the much less cautious assessment made in previous months. Allowing for the characteristically depressed mood in September (the corresponding survey results not being seasonally adjusted), those results point to a firming of confidence in a continuing economic improvement that is borne out by a willingness to purchase. Initial results from the October surveys indicate a further increase in confidence among retailers that business will pick up in the months ahead.

In the *construction industry*, however, the climate has worsened again, with the climate indicator dipping to a new low. Firms take the view that construction activity fell back again, while the order-book situation and the future employment trend were viewed more unfavourably than in September. Government cost-cutting measures were probably a major contributory factor here.

The current climate in *industry* is no longer as frosty as it was in the first half of the year. Since July the number of managers planning to reduce output over the next few months has fallen by 5 percentage points. However, order-book levels (domestic and foreign) are still regarded as too low, and stocks of finished goods are viewed as too high (in the light of the expected demand for industrial products). None the less, the assessment of order-book levels and stock levels has been growing steadily less pessimistic for close on six months. In the near future, industrial managers apparently expect the decline in production at least to be halted.

This more positive picture is confirmed by the results of the quarterly survey. This applies both to the more optimistic assessments of managers about the trend in new orders and the expected trend in exports of industrial goods. Moreover, the period of production covered by orders on hand was assessed by firms in October at 2.9 months, slightly higher than in July. It remains to be seen whether the incipient improvement in the climate will lead to a lasting economic recovery.

Capacity utilization in industry remains at a low. — According to the most recent business surveys, capacity utilization in industrial firms in the Community was 77.5 % in October, slightly up on the previous quarter (77.2 %). This represented the first break in the downward trend since October 1989. Compared with the planned level of production in the coming months, excess spare capacity has declined a little. The degree of utilization is therefore likely to rise gradually, especially since the creation of additional capacity through investment in new plant has slowed down markedly.

The continuing weak demand for investment goods led to a further decline in capacity utilization in the *investment goods industries* in October compared with July. Capacity utilization in the *consumer goods industries* also continued to fall in response to sluggish private consumption. On the other hand, capacity utilization in the *basic materials and producer goods industries* improved on the previous quarter, and this explains the somewhat higher level of capacity utilization in industry as a whole.

Taking the countries individually, capacity utilization in industry fell again only in Germany, Luxembourg and Portugal.

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TABLE 1*: Capacity utilization in manufacturing industry (%) (a) (s.a.)

	Range (b)		1991	1992	1993	1992				1993			
	Trough 81/83	Peak 88/90				I	II	III	IV	I	II	III	IV
B	73.8	82.2	79.4	77.4	74.8	77.7	77.8	77.6	76.4	75.3	74.5	74.5	74.9
DK	:	82.4	80.5	79.2	77.1	79.4	79.2	79.2	78.9	77.5	75.4	77.0	78.5
D	75.6	89.5	88.2	84.8	79.1	85.9	85.4	84.9	82.9	80.5	79.2	78.5	78.1
GR	73.5	78.9	77.2	78.3	75.9	78.4	79.0	76.8	78.8	77.8	76.7	74.4	74.6
E	:	81.7	77.6	76.6	72.8	76.4	75.3	78.1	76.4	73.9	73.9	71.1	72.1
F	81.1	86.8	84.2	82.5	79.7	83.1	82.1	82.6	82.1	81.2	79.4	78.9	79.1
IRL	55.7	78.7	75.5	77.1	73.6	77.4	78.5	75.8	76.7	71.6	74.9	73.5	74.4
I	69.0	80.8	77.3	76.4	74.4	76.4	77.8	75.9	75.0	74.4	74.6	74.3	74.3
L	66.5	86.8	82.1	79.8	80.1	80.4	80.6	79.9	78.3	80.0	80.5	81.0	78.8
NL	75.8	86.2	84.6	83.5	81.0	83.3	83.4	84.1	83.1	82.2	81.1	80.3	80.5
P	:	84.4	79.1	77.3	73.9	77.4	77.5	77.5	76.9	75.2	75.0	72.9	72.6
UK (d)	71.4	94.8	78.6	77.9	79.9	76.6	77.8	78.8	78.5	76.7	80.8	80.4	81.7
EUR	76.4	86.3	82.1	80.4	77.6	80.6	80.7	80.6	79.5	77.9	77.9	77.2	77.5

TABLE 2: Degree of capacity utilization and orders on hand by industrial branches — European Community (a) (s.a.)

Industries	Degree of capacity utilization in %								Expected capacity constraints: balances overcapacity (+) capacity too small (-)							
	1992	1993	1992		1993				1992	1993	1992		1993			
			III	IV	I	II	III	IV			III	IV	I	II	III	IV
Industry as a whole	80.4	77.6	80.6	79.5	77.9	77.9	77.2	77.5	+27	+38	+26	+32	+35	+38	+40	+39
Consumer goods ^(e)	81.5	79.6	81.5	81.0	79.8	79.9	79.5	79.1	+25	+33	+28	+30	+29	+36	+35	+33
Investment goods ^(e)	78.9	76.5	78.8	78.0	77.2	77.0	75.8	75.8	+28	+46	+38	+43	+43	+42	+50	+49
Intermediate goods ^(e)	80.6	77.8	80.8	79.7	78.1	77.9	77.3	77.9	+7	+40	+24	+33	+37	+43	+40	+41
Textile industry	79.9	77.9	79.2	78.8	77.7	76.8	77.8	79.4	+26	+34	+24	+22	+31	+35	+36	+32
Footwear and clothing	83.0	80.4	81.9	82.6	80.8	79.9	80.4	80.3	+25	+32	+30	+26	+29	+30	+33	+36
Timber/wooden furniture	79.8	77.6	79.6	79.4	78.3	76.8	77.3	78.0	+24	+30	+27	+28	+29	+30	+33	+28
Manufacture of paper, paper products, printing of which:	82.5	80.9	82.4	82.1	80.6	80.2	81.1	81.7	+27	+31	+23	+31	+28	+33	+32	+30
manufacture of paper	87.3	85.3	87.8	85.7	85.3	86.1	84.3	85.6	+32	+40	+32	+38	+38	+37	+44	+43
Leather	76.8	74.5	77.2	74.6	73.0	73.7	74.5	76.7	+33	+39	+26	+38	+32	+30	+41	+26
Plastics	79.5	76.4	79.3	77.9	76.9	75.5	76.5	76.8	+20	+39	+18	+21	+35	+42	+39	+38
Mineral-oil refining	90.3	89.6	90.2	90.8	87.8	90.5	90.9	89.3	+4	0	+11	0	-1	-6	-7	+15
Metals	80.6	75.0	82.8	78.0	75.0	77.0	74.3	73.8	+29	+53	+32	+40	+46	+53	+56	+57
Non-metallic mineral products	80.0	76.7	79.5	78.2	76.7	76.8	76.4	76.9	+32	+41	+28	+39	+42	+42	+40	+40
Metal articles	76.8	73.3	76.8	74.8	74.3	73.2	72.8	72.9	+32	+45	+32	+36	+42	+41	+46	+49
Mechanical engineering of which:	77.8	75.4	78.2	77.6	76.7	75.4	74.7	74.7	+42	+50	+44	+47	+43	+51	+55	+52
machines tools	77.0	73.3	76.6	77.6	73.9	73.9	73.2	72.1	+40	+54	+45	+51	+53	+53	+53	+56
Office and data processing machinery	80.1	74.2	77.2	78.2	74.8	74.0	75.6	72.3	+44	+70	+47	+69	+74	+66	+59	+80
Electrical engineering	79.2	78.9	78.9	78.6	78.9	80.3	77.5	78.8	+32	+36	+32	+37	+35	+35	+41	+34
Shipbuilding	74.0	70.6	73.1	72.4	67.3	70.4	75.1	69.6	+55	+48	+51	+44	+60	+51	+38	+43
Rubber products	84.0	78.4	83.1	82.2	78.9	79.9	79.1	75.5	+7	+40	+1	+12	+31	+38	+42	+49
Instrument engineering	82.5	80.1	82.4	81.2	80.3	80.4	80.8	78.9	+28	+41	+27	+36	+44	+39	+46	+35

TABLE 3: Expected capacity constraints in manufacturing industry: i.e. balance of respondents expecting capacity to be more than sufficient in relation to production expectations (a)(c) (s.a.)

	Range (b)		1991	1992	1993	1992				1993			
	Trough 81/83	Peak 88/90				I	II	III	IV	I	II	III	IV
B	+51	+9	+24	+33	+50	+29	+32	+35	+37	+46	+49	+54	+50
DK	+34	+10	+23	+28	+31	+29	+28	+28	+26	+31	+33	+30	+28
D	+46	-6	+5	+18	+42	+12	+12	+17	+29	+36	+43	+44	+45
GR	+32	+8	+10	+11	+15	+12	+12	+10	+9	+12	+14	+17	+17
E	:	+3	+14	+14	+17	+12	+15	+16	+11	+12	+20	+17	+17
F	+48	-6	+18	+25	+47	+20	+23	+25	+32	+39	+46	+52	+50
IRL	+34	+1	+19	+11	+24	+14	+7	+14	+10	+20	+21	+30	+23
I	+56	+12	+33	+35	+38	+36	+35	+33	+37	+37	+37	+40	+38
L	+64	-5	+13	+32	+44	+25	+22	+41	+38	+42	+45	+45	+44
NL	+51	-4	+3	+7	+15	+6	+5	+7	+11	+14	+16	+16	+15
P	:	-4	+10	+22	+36	+14	+15	+19	+21	+29	+34	+40	+40
UK	+66	+1	+47	+48	+39	+48	+42	+48	+52	+45	+37	+37	+36
EUR	+49	+5	+22	+27	+38	+24	+24	+26	+32	+35	+38	+40	+39

* Used data-signs in the tables: (s.a.) = seasonally adjusted ; = not available.

The figures for the Federal Republic of Germany refer to Western Germany, if not mentioned otherwise.

Source, unless stated otherwise: European Community business surveys.

(a) The data are collected in January, April, July and October each year.

(b) These are the extreme (high and low) values of the net balances of the different questions, reached in the period 1981-1990.

(c) Answers to the questions whether, taking into account the level of order-books or production, capacity is more than sufficient (+), sufficient (=) or less than sufficient (-). This, negative

balances (capacity less than sufficient) indicate high levels of capacity utilization and positive balances (capacity more than sufficient) are associated with low levels of capacity utilization.

(d) The series for the United Kingdom are estimated using the national (Confederation of British Industry) data on the percentage of firms reporting below-capacity working.

(e) The three major groups do not cover all the sectors of industry as a whole.

TABLE 4: Estimated number of months' production assured by orders on hand in manufacturing industry (a) (s.a.)

	Range (b)		1991	1992	1993	1992				1993			
	Trough 81/83	Peak 88/90				I	II	III	IV	I	II	III	IV
B	3.0	4.3	3.7	3.5	3.1	3.6	3.5	3.5	3.4	3.3	3.1	3.0	2.9
DK	:	2.9	2.0	2.0	2.0	2.0	2.0	1.9	2.0	2.9	1.3	1.8	2.0
D	2.5	3.3	3.2	2.8	2.4	2.9	2.9	2.8	2.6	2.4	2.5	2.3	2.5
GR	5.0	6.9	5.7	5.5	5.6	5.8	6.0	5.1	5.2	5.2	5.8	5.8	5.4
E	:	3.5	2.3	2.5	2.0	2.3	2.5	3.0	2.3	2.6	1.5	2.1	1.7
F	2.9	3.7	3.0	3.0	2.8	2.9	3.3	2.7	3.0	3.0	3.1	2.3	2.8
IRL	1.5	2.2	1.9	2.3	1.9	2.4	2.5	2.2	2.1	2.0	1.9	2.2	1.6
I	3.6	4.7	4.1	4.1	3.9	4.0	4.0	3.9	4.3	4.1	4.0	3.9	3.8
L	1.7	3.0	2.4	2.2	2.1	2.2	2.3	2.1	2.0	2.3	2.1	1.9	1.9
NL	2.5	3.9	3.0	2.8	2.3	2.7	2.8	2.9	2.6	2.4	2.3	2.2	2.2
P	:	4.4	3.8	3.6	3.5	3.5	3.6	3.6	3.8	3.4	3.7	3.3	3.7
UK	2.9	4.1	3.1	3.1	3.0	3.2	3.1	3.1	3.1	2.9	3.0	2.8	3.3
EUR	3.0	3.6	3.3	3.2	2.9	3.1	3.4	3.1	3.1	3.0	2.9	2.7	2.9

TABLE 5: New orders in manufacturing industry (a) (s.a.)

Balances: i.e., differences between the percentages of respondents giving positive and negative replies

	Range (b)		1991	1992	1993	1992				1993			
	Trough 81/83	Peak 88/90				I	II	III	IV	I	II	III	IV
B	-22	+10	-11	-12	-15	-11	-12	-13	-13	-15	-21	-13	-12
DK	-14	+19	+4	+1	-7	-3	+13	-5	-8	-15	-18	-5	+11
D	-23	+18	-2	-10	-13	-7	-7	-5	-19	-21	-17	-13	-2
E	:	+12	+5	+1	-5	+5	+3	+1	-6	+1	-8	-8	-6
F	-32	+21	-26	-15	-38	-20	-2	-11	-27	-30	-40	-45	-38
IRL	-42	+20	-11	-5	-2	+2	-1	+15	-7	-11	0	-5	+9
I	-21	+23	-1	-4	-5	-1	+4	-5	-13	-10	-6	-6	+1
L	-67	+14	-34	-35	-26	-35	-34	-32	-39	-48	-12	-25	-19
NL	-11	+17	+4	+5	+2	+6	+4	+7	+4	+1	-2	+7	+3
P	:	+28	-10	-17	-34	-12	-11	-20	-25	-31	-35	-37	-31
UK	-26	+31	-40	-23	+1	-36	-20	-15	-20	-10	-4	+9	+7
EUR	-23	+19	-12	-10	-13	-12	-5	-7	-17	-16	-16	-13	-8

TABLE 6: Export volume expectations in manufacturing industry: (a) (s.a.)

Balances: i.e., differences between the percentages of respondents giving positive and negative replies

	Range (b)		1991	1992	1993	1992				1993			
	Trough 81/83	Peak 88/90				I	II	III	IV	I	II	III	IV
B	:	+13	-14	-10	-10	-7	-7	-12	-12	-11	-18	-10	+1
D	-13	+15	-11	-4	-14	+1	+2	+3	-20	-17	-15	-14	-9
GR	-15	+29	+18	+17	+15	-19	-19	-18	+13	+21	+16	+19	+5
E	:	+8	+1	0	-1	+1	+2	-1	-3	+5	-8	-2	+1
F	-24	+14	-11	-3	-23	-2	-2	+4	-11	-23	-25	-30	-14
IRL	-35	+38	+12	-1	-5	-14	+22	+19	-29	+1	-10	-28	+18
I	-13	+27	+6	+7	+10	+5	+9	+6	+6	+2	+11	+10	+15
L	-67	+15	-39	-38	-23	-40	-41	-25	-46	-42	-6	-26	-17
NL	-11	+19	+6	+8	+3	+16	+7	+3	+6	+4	+3	-2	+5
P	:	+30	+5	-3	-20	-2	+7	-6	-11	-24	-22	-25	-7
UK	-6	+23	-4	+6	+12	-2	+13	+6	+9	+20	+15	+4	+8
EUR	-14	+16	-5	0	-6	+1	+4	+4	-8	-7	-7	-9	-1

TABLE 7: Employment expectations in manufacturing industry (a) (s.a.)

Balance of respondents expecting employment up, unchanged, down

	Range (b)		1991	1992	1993	1992				1993			
	Trough 81/83	Peak 88/90				I	II	III	IV	I	II	III	IV
B	-17	+3	-10	-14	-23	-8	-14	-16	-18	-22	-25	-26	-20
DK	-11	+2	-5	-7	-13	-9	-3	-6	-11	-17	-21	-7	-6
D	-37	+8	-7	+27	-51	-19	-21	-25	-41	-48	-52	-51	-53
GR	-14	+3	-7	-4	-5	-1	0	-10	-6	-4	-4	-5	-6
E	:	-9	-18	-20	-43	-18	-17	-21	-23	-41	-52	-47	-33
F	-44	-11	-30	-40	-49	-40	-39	-40	-40	-44	-49	-53	-50
IRL	-32	+13	-15	-18	-26	-25	-10	-4	-33	-19	-29	-30	-26
I	-38	+7	-12	-23	-21	-20	-21	-23	-27	-24	-20	-21	-18
L	-59	+6	-41	-35	-44	-40	-30	-36	-40	-43	-44	-41	-48
NL	36	+14	-8	-14	-27	-9	-15	-13	-17	-25	-29	-26	-27
P	:	+1	-12	-21	-32	-18	-21	-21	-23	-29	-34	-32	-32
UK	-44	+13	-43	-35	-27	-18	-32	-30	-40	-32	-26	-28	-22
EUR	-32	-3	-19	-28	-37	-25	-25	-26	-34	-36	-38	-39	-35

(a) The data are collected in January, April, July and October each year.

(b) These are the extreme (high and low) values of the net balances of the different questions, reached in the period 1981-1990.

TABLE 8: Indicators of output and economic sentiment (s.a.)

			Ranges		1990	1991	1992	1993			1993					
			Trough	Peak				I	II	III	May	June	July	Aug.	Sept.	Oct.
			81/83	88/90												
B	<i>index of industrial production</i>	1985 = 100	:	:	117,7	115,1	115,3	109,3	107,1	:	108,7	104,1	106,1	:	:	:
	1. industrial confidence indicator		-33	2	-3	-15	-20	-31	-32	-29	-30	-31	-30	-31	-27	-28
	2. construction confidence indicator		-63	7	-3	-7	-13	-19	-23	-20	-23	-23	-19	-17	-23	-25
	3. consumer confidence indicator		-29	5	-1	-7	-12	-21	-26	-29	-25	-27	-30	-30	-28	-28
	4. share-price index (a)		:	:	184,6	177,4	175,3	178,5	179,9	194,1	177,2	179,8	191,5	197,5	193,4	200,2
	= 5. economic sentiment indicator		96,5	106,6	105,9	103,5	101,7	99,3	98,2	98,1	98,5	98,1	98,0	98,0	98,4	98,3
DK	<i>index of industrial production</i>	1985 = 100	:	:	108,1	110,0	112,2	108,3	105,8	:	99,6	111,8	109,9	107,0	:	:
	1. industrial confidence indicator		-22	5	-2	-8	-7	-17	-20	-10	:	:	-10	:	:	-3
	2. construction confidence indicator		-37	12	-24	-32	-22	-32	-30	-22	:	:	-22	:	:	-17
	3. consumer confidence indicator		-20	-4	-8	-2	-2	-8	-7	-4	-8	-4	-4	-5	-4	:
	4. share-price index (a)		:	:	146,1	157,9	144,7	139,2	139,8	148,0	139,0	143,1	143,5	150,5	149,9	152,8
	= 5. economic sentiment indicator		95,3	99,0	97,7	97,2	97,3	96,2	96,7	97,8	96,3	96,8	97,1	97,6	97,8	:
D	<i>index of industrial production</i>	1985 = 100	:	:	117,9	121,4	118,8	110,3	109,7	109,3	110,1	109,7	108,7	111,6	107,7	:
	1. industrial confidence indicator		-38	11	8	0	-18	-35	-37	-35	-38	-36	-35	-36	-33	-32
	2. construction confidence indicator		-63	3	-1	-5	-15	-25	-28	-31	-27	-29	-29	-31	-33	-30
	3. consumer confidence indicator		-32	6	1	-12	-20	-29	-27	-28	-26	-28	-30	-28	-27	-30
	4. share-price index (a)		:	:	156,0	141,3	137,5	134,7	137,3	150,8	135,4	138,0	145,1	153,4	154,0	163,3
	= 5. economic sentiment indicator		93,9	104,2	103,8	101,2	98,5	95,8	95,8	96,0	95,8	95,7	95,8	95,9	96,3	96,2
E	<i>index of industrial production</i>	1985 = 100	:	:	116,3	114,8	113,3	104,4	105,2	:	104,3	105,5	106,3	109,7	:	:
	1. industrial confidence indicator		:	0	-14	-22	-25	-40	-37	-35	-37	-35	-36	-37	-31	-29
	2. construction confidence indicator		:	32	15	-8	-37	-52	-45	-42	-35	-55	-38	-48	-41	-50
	3. consumer confidence indicator		:	5	-2	-6	-20	-33	-33	-35	-31	-36	-33	-39	-32	-35
	4. share-price index (a)		:	:	303,2	311,2	270,0	270,0	297,3	335,9	301,3	304,4	316,2	355,1	336,5	354,3
	= 5. economic sentiment indicator		:	104,6	102,2	101,2	99,4	97,4	97,7	97,8	97,9	97,5	97,8	97,4	98,2	98,1
F	<i>index of industrial production</i>	1985 = 100	:	:	112,9	113,1	113,2	110,2	108,3	:	108,6	108,1	109,8	109,8	:	:
	1. industrial confidence indicator		-38	12	-7	-20	-21	-32	-36	-39	-35	-40	-40	-39	-37	-31
	2. construction confidence indicator		-59	2	-6	-16	-43	-59	-56	-58	:	:	-58	:	:	-58
	3. consumer confidence indicator		-27	-9	-13	-21	-22	-24	-25	-27	-26	-26	-28	-28	-26	-26
	4. share-price index (a)		:	:	223,7	208,6	217,2	223,8	229,7	249,2	226,0	228,3	236,0	254,8	256,8	260,2
	= 5. economic sentiment indicator		98,5	106,1	104,3	101,4	99,8	97,9	97,8	97,3	97,6	97,3	97,0	97,2	97,6	98,0
IRL	<i>index of industrial production</i>	1985 = 100	:	:	143,9	148,6	162,2	171,5	169,1	:	171,3	161,3	169,4	:	:	:
	1. industrial confidence indicator		-36	14	0	-9	-4	-13	-13	-15	-9	-22	-15	-13	-18	-8
	2. construction confidence indicator		-60	30	6	-22	-11	-30	-29	-23	-38	-16	-29	-23	-16	-21
	3. consumer confidence indicator		-46	-3	-7	-18	-21	-22	-15	-10	-16	-13	-10	-9	-10	-4
	4. share-price index (a)		:	:	269,2	241,4	223,9	240,9	270,9	293,5	267,9	281,8	289,4	300,0	291,2	299,0
	= 5. economic sentiment indicator		97,3	104,7	103,3	100,9	100,6	99,9	100,7	101,3	100,5	100,9	101,2	101,4	101,2	102,1
I	<i>index of industrial production</i>	1985 = 100	:	:	117,9	115,1	113,8	111,4	109,9	:	112,1	108,6	110,6	111,4	:	:
	1. industrial confidence indicator		-38	13	-1	-13	-15	-22	-19	-18	-19	-19	-18	-19	-17	-15
	2. construction confidence indicator		-51	21	6	-7	-16	-44	-40	-57	-41	-32	-68	-53	-50	-68
	3. consumer confidence indicator		-28	0	-6	-13	-19	-31	-33	-32	-30	-32	-32	-32	-33	-28
	4. share-price index (a)		:	:	194,3	156,4	136,9	152,1	163,7	180,1	168,3	163,7	169,6	185,6	185,2	178,8
	= 5. economic sentiment indicator		95,8	103,7	102,1	100,1	98,9	96,7	96,8	97,0	97,3	97,0	96,7	97,1	97,1	97,7
NL	<i>index of industrial production</i>	1985 = 100	:	:	109,3	113,1	113,5	112,6	110,3	:	110,7	110,0	110,9	110,0	:	:
	1. industrial confidence indicator		-27	3	0	-4	-6	-11	-12	-11	-12	-11	-10	-11	-11	-8
	2. construction confidence indicator		-45	9	-1	-6	-15	-15	-17	-19	-18	-17	-18	-19	-20	-19
	3. consumer confidence indicator		-36	11	3	-10	-10	-16	-19	-18	-20	-19	-21	-17	-15	-19
	4. share-price index (a)		:	:	131,1	136,0	142,4	147,6	156,1	170,7	154,3	157,8	163,7	173,2	175,2	185,4
	= 5. economic sentiment indicator		93,3	103,4	101,7	99,4	99,0	98,0	97,5	97,9	97,3	97,6	97,4	98,0	98,2	98,0
UK	<i>index of industrial production</i>	1985 = 100	:	:	109,3	106,1	105,8	107,0	107,9	:	108,7	108,1	:	:	:	:
	1. industrial confidence indicator		-57	21	-18	-32	-24	-16	-11	-9	-10	-12	-15	-7	-5	-10
	2. construction confidence indicator		-57	42	-28	-64	-50	-40	-40	-33	-38	-41	-36	-33	-32	-30
	3. consumer confidence indicator		-24	7	-26	-17	-15	-16	-15	-11	-11	-16	-14	-10	-9	-10
	4. share-price index (a)		:	:	173,3	190,3	198,1	220,2	220,8	229,3	220,0	222,4	219,9	233,3	234,6	238,6
	= 5. economic sentiment indicator		97,0	103,8	98,2	97,2	98,1	98,7	98,9	99,5	99,2	98,8	98,9	99,7	99,9	99,7
EUR	<i>index of industrial production</i>	1985 = 100	:	:	114,7	114,5	113,4	109,5	108,7	:	109,5	108,4	:	:	:	:
	1. industrial confidence indicator		-35	6	-4	-14	-19	-27	-27	-26	-27	-28	-28	-27	-24	-23
	2. construction confidence indicator		-50	3	-4	-18	-28	-40	-39	-42	-38	-39	-43	-41	-41	-44
	3. consumer confidence indicator		-22	3	-9	-14	-18	-25	-25	-25	-24	-26	-26	-26	-24	-25
	4. share-price index (a)		:	:	174,8	174,9	177,1	187,7	190,9	203,3	189,5	191,8	194,8	207,1	208,0	213,1
	= 5. economic sentiment indicator		96,1	104,4	102,7	99,9	98,2	95,8	95,8	95,9	96,1	95,6	95,5	95,8	96,4	96,2

(a) Not seasonally adjusted.

TABLE 9: **Monthly survey of manufacturing industry** — Monthly questions and the composite industrial confidence indicator (a)
Balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.)

		Ranges		1990	1991	1992	1993			1993						
		Trough 81/83	Peak 88/90				I	II	III	May	June	July	Aug.	Sept.	Oct.	
INDUSTRIAL CONFIDENCE INDICATOR	B	-33	2	3	-15	-20	-31	-31	-29	-30	-31	-30	-31	-27	-28	
	DK	-22	5	-2	-8	-7	-17	-20	-10	:	:	-10	:	:	-3	
	D	-38	11	8	0	-18	-35	-37	-35	-38	-36	-35	-36	-33	-32	
	GR	:	5	-2	-7	-4	-7	-6	-4	-7	-6	-4	-4	-3	-4	
	E	:	0	-14	-22	-25	-40	-37	-35	-37	-35	-36	-37	-31	-29	
	F	-38	12	-8	-20	-21	-32	-36	-39	-35	-40	-40	-39	-37	-31	
	IRL	-36	14	0	-9	-4	-13	-14	-15	-9	-22	-15	-13	-18	-8	
	I	-38	13	-1	-13	-15	-22	-19	-18	-19	-19	-18	-19	-17	-15	
	L	-67	11	-4	-24	-28	-29	-22	-25	-20	-23	-21	-28	-26	-25	
	NL	-27	3	0	-5	-6	-10	-12	-11	-12	-11	-10	-11	-11	-8	
	P	:	5	-5	-7	-12	-25	-27	-27	-27	-28	-28	-25	-27	-24	
	UK	-57	21	-18	-32	-24	-16	-11	-9	-10	-12	-15	-7	-5	-10	
	EUR	-35	6	-3	-14	-19	-27	-27	-26	-27	-28	-28	-27	-24	-23	
PRODUCTION EXPECTATIONS	B	-37	12	0	-12	-16	-27	-33	-31	-28	-34	-31	-32	-29	-28	
	DK	-12	15	11	8	7	-5	0	12	:	:	12	:	:	9	
	D	-27	14	11	3	-10	-25	-25	-18	-25	-22	-20	-21	-13	-16	
	GR	:	29	21	18	25	22	21	22	21	20	21	22	23	16	
	E	:	16	4	-1	-4	-16	-10	-9	-11	-6	-5	-12	-10	-5	
	F	-20	23	4	-4	-4	-21	-20	-24	-16	-24	-27	-24	-22	-12	
	IRL	-37	27	14	4	1	-6	-3	-4	-3	-9	-8	-2	-2	5	
	I	-22	28	15	8	1	-10	-3	1	-2	-2	2	-1	2	-1	
	L	-66	19	5	-27	-28	-31	-12	-6	-10	-12	-4	-8	-7	-18	
	NL	-13	12	7	5	4	0	-2	0	-2	-1	3	-3	0	4	
	P	:	18	13	9	3	-8	-9	-9	-9	-9	-9	-9	-9	-7	
	UK	-44	34	-7	-14	-1	9	10	11	15	8	2	14	17	9	
	EUR	-24	28	7	0	-4	-13	-11	-9	-9	-11	-11	-10	-6	-6	
ORDER-BOOKS	B	-49	-1	-6	-26	-33	-47	-49	-44	-51	-48	-44	-46	-42	-45	
	DK	-32	11	-2	-14	-17	-32	-45	-36	:	:	-36	:	:	-12	
	D	-54	12	10	-4	-29	-52	-58	-58	-59	-58	-58	-59	-58	-56	
	GR	:	-7	-14	-23	-21	-26	-28	-24	-28	-29	-27	-24	-20	-16	
	E	:	-3	-23	-39	-43	-61	-62	-58	-61	-64	-61	-63	-51	-51	
	F	-56	16	-11	-35	-39	-51	-59	-62	-59	-65	-62	-62	-61	-58	
	IRL	-57	16	-9	-22	-8	-23	-24	-23	-14	-36	-18	-19	-31	-11	
	I	-64	12	-6	-28	-30	-43	-40	-40	-39	-42	-42	-42	-37	-28	
	L	-70	16	-13	-38	-44	-45	-40	-46	-40	-43	-40	-50	-48	-40	
	NL	-42	1	-4	-11	-15	-23	-23	-22	-24	-24	-23	-21	-22	-21	
	P	:	0	-14	-21	-30	-47	-50	-51	-50	-51	-52	-49	-51	-50	
	UK	-57	26	-30	-56	-49	-37	-26	-21	-25	-25	-26	-17	-19	-22	
	EUR	-56	5	-8	-28	-35	-46	-48	-47	-47	-49	-48	-47	-45	-42	
EXPORT ORDER-BOOKS	B	-55	-3	-10	-30	-36	-48	-53	-49	-56	-51	-47	-51	-50	-47	
	DK	10	17	6	-4	-9	-23	-39	-25	:	:	-25	:	:	-8	
	D	-48	1	-6	-32	-39	-59	-63	-66	-64	-62	-64	-67	-68	-64	
	GR	:	-16	-22	-24	-26	-27	-31	-21	-30	-31	-23	-21	-19	-16	
	E	:	-17	-27	-33	-38	-51	-51	-47	-46	-54	-52	-50	-40	-40	
	F	-52	24	-13	-34	-32	-50	-56	-59	-58	-60	-62	-59	-56	-55	
	IRL	:	29	-15	-20	2	-7	-20	-24	-4	-40	-13	-7	-53	-12	
	I	-57	0	-15	-33	-35	-38	-30	-25	-27	-33	-24	-25	-26	-10	
	L	-80	52	-33	-47	-51	-36	-32	-51	-36	-37	-44	-54	-55	-51	
	P	:	1	-21	-24	-29	-53	-54	-53	-51	-53	-53	-48	-57	-43	
	UK	-65	12	-11	-35	-35	-27	-16	-16	-11	-15	-15	-15	-19	-17	
		EUR	-50	0	-11	-32	-35	-47	-48	-48	-47	-49	-47	-48	-49	-43
STOCKS OF FINISHED PRODUCTS	B	19	-1	4	7	12	19	13	13	12	12	14	15	10	10	
	DK	23	-1	14	18	11	14	15	5	:	:	5	:	:	5	
	D	27	-9	-4	0	15	27	29	27	30	29	26	29	27	25	
	GR	:	1	12	14	15	16	9	10	13	8	7	10	13	11	
	E	:	8	22	26	27	42	40	37	40	36	43	37	32	32	
	F	42	-3	15	21	19	25	30	30	29	32	31	31	29	24	
	IRL	29	-6	5	8	5	11	13	20	10	20	19	18	22	17	
	I	28	-4	12	19	17	12	13	14	15	12	13	14	15	15	
	L	58	-10	3	7	11	11	13	22	11	15	18	26	23	17	
	NL	39	0	4	8	7	9	9	10	10	8	9	9	11	8	
	P	:	0	14	10	9	19	21	20	21	25	22	17	20	15	
	UK	41	4	17	26	20	21	18	17	21	18	20	17	13	18	
	EUR	31	2	9	15	17	22	24	23	25	24	24	24	22	21	
SELLING-PRICE EXPECTATIONS	B	12	24	7	2	-3	-10	-9	-2	-8	-4	-5	-1	-1	-2	
	D	2	26	16	14	10	-2	-2	-1	-4	-3	-1	1	-3	0	
	GR	:	41	31	28	28	23	18	22	13	21	21	22	22	20	
	E	:	21	5	0	-5	-14	-13	-7	-11	-11	-10	-6	-5	-7	
	F	17	34	16	11	8	-2	-6	-4	-8	-11	-4	-4	-5	-3	
	IRL	1	23	1	-1	-4	-13	-3	1	-4	-5	1	4	-1	6	
	I	6	32	20	16	13	9	14	10	14	14	10	12	8	8	
	L	-38	62	-6	-32	-14	-28	7	10	4	5	9	11	9	20	
	P	:	28	21	17	10	3	3	3	4	2	-1	8	3	0	
	UK	9	34	23	5	-1	7	9	4	9	10	4	3	6	0	
		EUR	22	28	17	11	7	1	2	1	1	1	1	2	1	1

(a) The indicator is an average of the responses (balances) to the questions on production expectations, order-books and stocks (the latter with inverted sign).

TABLE 10: Survey of the construction industry

Balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.)

		Ranges		1990	1991	1992	1993			1993					Oct.
		Trough 81/83	Peak 88/90				I	II	III	May	June	July	Aug.	Sept.	
CONSTRUCTION CONFIDENCE INDICATOR (a)	B	-63	7	-3	-7	-13	-19	-23	-20	-23	-23	-19	-17	-23	-25
	DK	-37	12	-24	-32	-22	-32	-27	-22	:	:	-22	:	:	-17
	D	-63	3	-1	-5	-15	-25	-28	-31	-27	-29	-29	-31	-33	-30
	GR	-73	-12	-23	-32	-13	-15	-20	-27	:	:	-27	:	:	-31
	E	:	31	15	-8	-37	-52	-45	-42	-35	-55	-38	-48	-41	-50
	F	-59	2	-6	-16	-43	-59	-56	-58	:	:	-58	:	:	-58
	IRL	-60	30	6	-22	-11	-30	-29	-23	-38	-16	-29	-23	-16	-21
	I	-51	21	6	-7	-16	-44	-40	-57	-41	-32	-68	-53	-50	-68
	L	-75	24	10	-4	-23	-42	-57	-61	-56	-59	-56	-65	-61	-59
	NL	-45	9	-1	-6	-15	-15	-17	-19	-18	-17	-18	-19	-20	-19
	P	:	12	-13	-22	-32	-47	-47	-50	-44	-51	-48	-51	-51	-44
UK	-57	42	-28	-64	-50	-40	-40	-33	-38	-41	-36	-33	-32	-30	
	EUR	-50	3	-4	-18	-28	-40	-39	-42	-38	-39	-43	-41	-41	-44
TREND OF ACTIVITY COMPARED WITH PRECEDING MONTH	B	-31	36	4	-8	-5	1	-8	-10	-2	-10	-7	-7	-17	-19
	D	-54	19	-4	-11	-16	-20	-23	-23	-18	-21	-24	-26	-20	-24
	GR	-39	30	-13	-7	7	-10	-8	1	:	:	1	:	:	-15
	E	:	45	26	9	-25	-22	-4	-5	-4	-8	-12	4	-6	-35
	F	-47	32	6	-12	-38	-62	-57	-63	:	:	-63	:	:	-49
	IRL	-49	24	4	-19	-10	-14	-17	-16	-25	-7	-31	2	-19	-5
	I	-27	32	8	-9	-5	-28	-25	-20	-12	-19	-36	-16	-8	-24
	L	-60	39	-5	-15	-16	-31	-58	-47	-57	-62	-39	-63	-40	-52
	NL	-39	35	1	-4	-8	-8	-12	-12	-13	-6	-13	-12	-11	-15
	P	:	25	-5	-2	-15	-17	-12	-22	-5	-20	-21	-15	-29	-19
	UK	-49	50	-16	-44	-16	-14	-1	-6	-2	-4	-7	-7	-3	-2
	EUR	-28	20	2	-13	-18	-28	-24	-25	-20	-23	-29	-24	-22	-26
ORDER-BOOKS	B	-76	-6	-14	-17	-26	-29	-28	-26	-28	-28	-26	-24	-29	-32
	DK	-36	13	-33	-43	-32	-38	-41	-34	:	:	-34	:	:	-22
	D	-75	-7	-13	-15	-26	-34	-38	-41	-37	-40	-40	-41	-43	-42
	GR	-78	-39	-48	-54	-45	-41	-54	-59	:	:	-59	:	:	-69
	E	:	45	25	-11	-37	-43	-40	-44	-27	-52	-27	-64	-41	-54
	F	-73	4	-14	-27	-55	-69	-65	-73	:	:	-73	:	:	-68
	IRL	-58	30	3	-18	-12	-39	-44	-34	-54	-37	-41	-33	-29	-37
	I	-62	17	5	-4	-17	-47	-56	-68	-63	-47	-78	-66	-59	-76
	L	-79	12	4	-8	-22	-38	-58	-70	-62	-65	-69	-73	-68	-64
	NL	-61	2	-7	-11	-22	-21	-24	-28	-25	-23	-25	-28	-30	-27
	P	:	-6	-36	-46	-49	-65	-65	-69	-61	-68	-66	-70	-70	-69
UK	-74	35	-31	-78	-71	-67	-65	-58	-64	-66	-62	-57	-56	-55	
	EUR	-66	-2	-10	-26	-38	-49	-51	-55	-51	-51	-55	-56	-53	-56
EMPLOYMENT EXPECTATIONS	B	-53	19	8	4	-1	-8	-18	-13	-17	-18	-12	-9	-17	-17
	DK	-35	11	-14	-21	-13	-26	-12	-9	:	:	-9	:	:	-11
	D	-53	19	11	6	-4	-16	-17	-20	-16	-18	-18	-20	-22	-18
	GR	-77	20	3	-10	20	12	15	6	:	:	6	:	:	8
	E	:	30	5	-6	-36	-60	-49	-40	-42	-57	-48	-32	-40	-46
	F	-47	8	3	-5	-31	-49	-46	-42	:	:	-42	:	:	-47
	IRL	-61	37	9	-26	-11	-21	-13	-11	-21	5	-17	-13	-3	-4
	I	-39	25	7	-11	-15	-41	-25	-46	-19	-17	-57	-40	-41	-60
	L	-75	36	16	0	-25	-46	-55	-51	-49	-53	-43	-57	-53	-54
	NL	-31	16	5	-2	-8	-8	-11	-10	-10	-10	-10	-10	-10	-11
	P	:	28	11	2	-15	-28	-29	-31	-27	-33	-30	-31	-32	-19
UK	-50	51	-25	-50	-28	-14	-14	-8	-12	-15	-10	-8	-7	-5	
	EUR	-36	12	2	-10	-18	-31	-26	-28	-24	-26	-31	-26	-28	-31
PRICE EXPECTATIONS	B	-18	28	17	11	2	-8	-7	-7	-9	-4	-6	-8	-7	-12
	D	-49	45	31	12	-6	-22	-22	-23	-23	-21	-23	-23	-22	-18
	GR	9	26	12	-4	8	-28	-24	-11	:	:	-11	:	:	-9
	E	:	70	34	19	12	1	2	9	-4	0	10	3	15	-21
	IRL	:	38	10	-30	-12	-16	-17	-11	-22	-12	-7	-9	-18	0
	I	2	63	44	25	25	-8	3	-2	9	-1	-16	9	0	17
	L	-49	23	11	1	-31	-52	-59	-61	-67	-60	-64	-60	-58	-61
	NL	:	64	55	34	28	9	11	8	12	11	10	8	6	6
	P	:	70	41	30	14	-22	-12	-5	-10	-8	2	-8	-9	-21
	UK	-21	70	-31	-32	-8	5	4	4	4	4	4	4	5	13
		EUR	:	39	23	9	7	-8	-5	-6	-5	-6	-9	-4	-5

(a) The indicator is an average of the responses (balances) to the questions on order-books and employment expectations.

TABLE 11: Consumer opinion on economic and financial conditions (s.a.) (a)

		Ranges		1990	1991	1992	1993			1993					
		Trough 81/83	Peak 88/90				I	II	III	May	June	July	Aug.	Sept.	Oct.
CONSUMER CONFIDENCE INDICATOR (b)	B	-31	5	-1	-7	-12	-21	-26	-29	-25	-27	-30	-30	-28	-28
	DK	-17	2	-8	-2	-2	-8	-7	-4	-8	-4	-4	-5	-4	:
	D	-29	6	1	-12	-20	-29	-27	-28	-26	-28	-30	-28	-27	-30
	GR	:	-7	-25	-27	-31	-32	-31	-26	-32	-31	-29	-27	-23	:
	E	:	5	-2	-6	-20	-33	-33	-35	-31	-36	-33	-39	-32	-35
	F	-12	-9	-13	-21	-22	-24	-25	-27	-26	-26	-28	-28	-26	-26
	IRL	-39	-3	-7	-18	-21	-22	-14	-9	-16	-9	-9	-9	-10	-4
	I	-27	0	-6	-13	-19	-31	-33	-32	-30	-33	-32	-32	-33	-28
	NL	-37	11	3	-10	-10	-16	-19	-18	-20	-19	-21	-17	-15	-19
	P	:	4	-2	3	-5	-17	-24	-27	-24	-28	-29	-25	-26	:
	UK	-22	7	-26	-17	-15	-16	-15	-11	-11	-16	-14	-10	-9	-10
EUR (c)		-21	-3	-9	-14	-18	-25	-25	-25	-24	-26	-26	-26	-24	-25
FINANCIAL SITUATION OF HOUSEHOLDS	B	-29	2	-1	-3	-4	-9	-10	-12	-10	-9	-12	-11	-13	-12
	DK	-12	6	-2	-1	3	1	-1	-1	-1	-2	-2	-1	1	:
	D	-21	4	2	-7	-15	-18	-18	-18	-18	-18	-18	-18	-18	-20
	GR	:	-8	-31	-34	-39	-42	-41	-35	-42	-40	-37	-35	-33	:
	E	:	0	-4	-4	-12	-20	-21	-23	-20	-23	-22	-25	-22	-25
	F	-11	-5	-7	-10	-10	-10	-10	-13	-10	-10	-12	-12	-16	-16
	IRL	-47	-13	-17	-21	-22	-24	-19	-15	-21	-15	-15	-15	-16	-11
	I	-17	-1	-3	-5	-9	-18	-20	-21	-19	-21	-20	-20	-24	-20
	NL	-25	12	10	4	1	1	-1	0	-3	-2	1	-2	0	-5
	P	:	2	-3	-1	-5	-12	-18	-18	-20	-21	-20	-16	-19	:
	UK	-34	-2	-27	-22	-20	-21	-23	-20	-20	-24	-21	-20	-18	-17
EUR (c)		-18	-4	-7	-9	-12	-16	-17	-17	-16	-18	-17	-17	-18	-18
— over last 12 months	B	-17	8	4	2	0	-3	-5	-6	-4	-5	-6	-6	-7	-6
	DK	-7	12	4	7	10	10	8	11	8	10	11	10	12	:
	D	-17	4	2	-6	-9	-14	-12	-13	-11	-13	-14	-12	-12	-14
	GR	:	3	-15	-23	-26	-27	-25	-18	-26	-26	-25	-18	-12	:
	E	:	8	4	3	-7	-13	-9	-10	-7	-12	-8	-14	-8	-10
	F	-4	3	1	-2	-1	-3	-5	-8	-8	-6	-9	-9	-6	-6
	IRL	-32	0	-6	-8	-8	-10	-5	-4	-6	-4	-4	-4	-4	0
	I	-11	5	1	-1	-5	-13	-13	-12	-11	-12	-11	-11	-13	-7
	NL	-21	10	6	0	2	3	-2	-1	-3	-2	-2	-1	0	-3
	P	:	9	4	7	1	-9	-14	-13	-15	-16	-14	-13	-11	:
	UK	-17	4	-12	-1	-1	-4	-7	-6	-5	-9	-7	-6	-5	-9
EUR (c)		-10	2	-1	-2	-4	-8	-9	-9	-9	-10	-10	-10	-8	-9
GENERAL ECONOMIC SITUATION	B	-73	7	-3	-20	-32	-46	-55	-58	-51	-57	-58	-61	-56	-57
	DK	-51	8	-15	-1	-3	-20	-19	-12	-21	-13	-12	-13	-11	:
	D	-55	14	7	-18	-34	-52	-51	-56	-50	-54	-57	-55	-55	-59
	GR	:	-16	-42	-32	-36	-38	-37	-34	-38	-38	-36	-33	-33	:
	E	:	0	-7	-11	-30	-49	-53	-56	-51	-55	-55	-62	-52	-58
	F	-42	-23	-28	-43	-46	-53	-51	-56	-50	-53	-56	-57	-56	-55
	IRL	-82	-3	-8	-31	-44	-53	-38	-30	-39	-31	-31	-31	-27	-19
	I	-62	-3	-16	-30	-47	-68	-72	-72	-70	-71	-71	-72	-72	-67
	NL	-69	21	4	-23	-26	-44	-50	-48	-49	-50	-54	-49	-42	-49
	P	:	13	1	10	-4	-20	-30	-38	-29	-36	-41	-36	-37	:
	UK	-65	4	-52	-52	-50	-54	-46	-33	-41	-46	-37	-31	-30	-27
EUR (c)		-52	-10	-18	-30	-40	-53	-53	-53	-51	-54	-54	-53	-51	-51
— over next 12 months	B	-55	8	-3	-11	-22	-35	-42	-42	-40	-42	-45	-44	-36	-43
	DK	-31	5	-10	-1	-4	-9	-7	-4	-9	-3	-2	-6	-5	:
	D	-37	6	-1	-16	-24	-39	-37	-37	-37	-39	-40	-36	-34	-40
	GR	:	0	-7	-15	-20	-20	-20	-13	-21	-20	-19	-13	-8	:
	E	:	6	-4	-6	-24	-31	-23	-25	-18	-28	-22	-30	-22	-22
	F	-40	-7	-17	-29	-26	-29	-25	-28	-30	-29	-30	-31	-23	-27
	IRL	-48	10	-1	-18	-18	-24	-10	-5	-12	-5	-5	-5	-6	3
	I	-32	5	-6	-18	-23	-34	-31	-26	-24	-31	-26	-26	-27	-20
	NL	-51	11	-8	-29	-24	-32	-36	-30	-35	-36	-39	-29	-21	-26
	P	:	12	2	9	-5	-18	-26	-28	-27	-29	-31	-28	-26	:
	UK	-23	8	-22	-5	-7	-13	-10	-5	-4	-12	-11	-1	-2	-10
EUR (c)		-35	-3	-10	-16	-20	-29	-27	-25	-25	-29	-28	-25	-22	-25
MAJOR PURCHASES	B	5	8	-1	-5	-4	-13	-19	-28	-18	-20	-28	-27	-29	-23
	DK	3	-4	-19	-14	-18	-23	-17	-16	-18	-14	-14	-16	-17	:
	D	-19	3	-4	-13	-16	-19	-17	-18	-16	-18	-20	-20	-14	-16
	GR	:	-13	-29	-31	-35	-32	-30	-31	-33	-30	-28	-35	-31	:
	E	:	13	0	-14	-25	-53	-60	-58	-60	-64	-57	-61	-57	-61
	F	23	-1	-11	-21	-26	-28	-31	-31	-31	-30	-32	-33	-28	-29
	IRL	1	5	-2	-10	-11	1	2	6	-3	8	8	8	3	9
	I	-15	-2	-6	-9	-14	-23	-29	-30	-26	-30	-30	-30	-31	-26
	NL	-23	11	6	-1	-3	-3	-8	-7	-8	-9	-10	-2	-10	-10
	P	:	-2	-9	-9	-13	-27	-33	-36	-30	-37	-37	-34	-36	:
	UK	20	28	-16	-5	5	11	11	9	13	12	5	10	12	15
EUR (c)		5	1	-8	-12	-14	-19	-21	-22	-20	-21	-23	-23	-20	-20

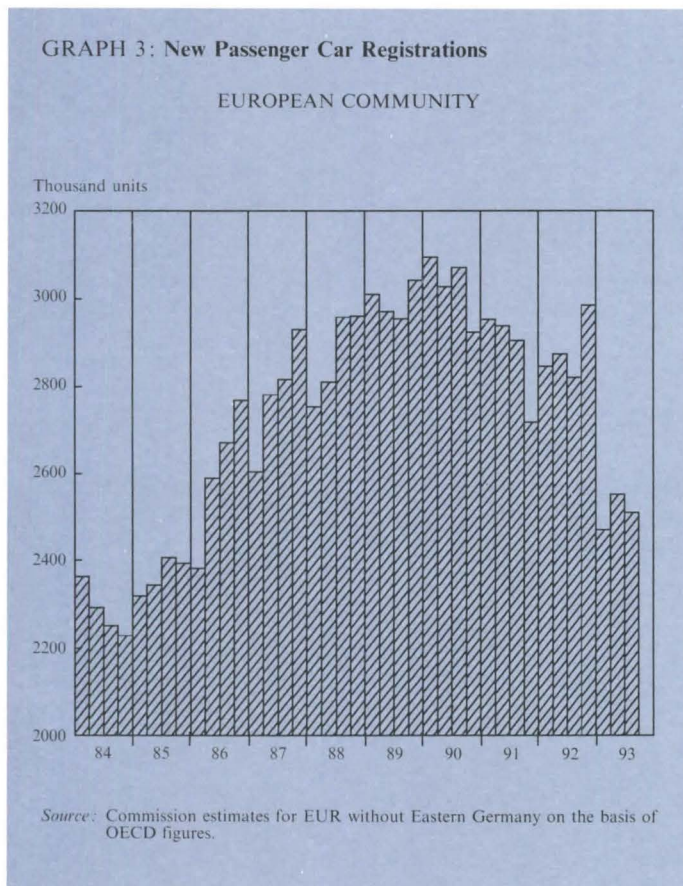
(a) The sum of the replies for each Member State are weighted in the Community total with the value of consumers' expenditure.

(b) The indicator represents the arithmetic average of results for five questions, namely the two on the financial situation of the household, the two on the general economic situation, and that concerning major purchases at present.

(c) If monthly data are not available, the EUR-averages incorporate the most recent available results.

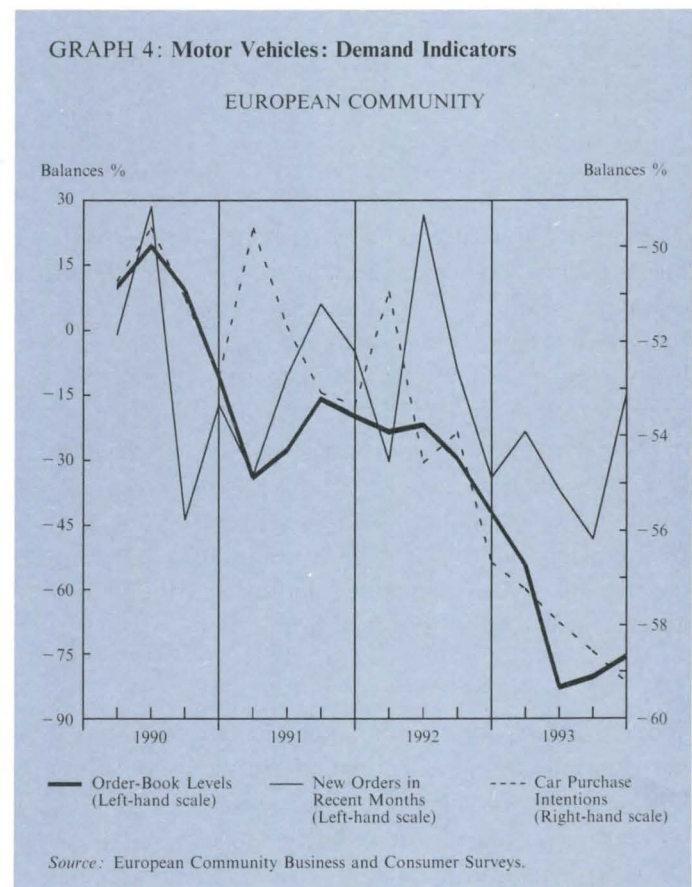
RECENT DEVELOPMENTS IN PASSENGER CAR SALES

While recession has hit car sales very badly in 1993, the results of the surveys among consumers and among managers in the motor vehicle industry and the motor vehicle retail trade as yet give only **very small indications that pessimism about car sales has peaked.**



In the first nine months of 1993 new passenger car registrations in the European Community¹ declined by about 12% compared to the same period of 1992 (Graph 3). If this downward movement is not reversed in the fourth quarter, the 1993 total will be 15 to 20% lower than the 1990 record total, bringing car sales back to the level of 1986 or 1987. The main reason behind the fall in car sales is uncertainty on the part of households regarding the evolution of disposable income. This will remain a preoccupation for some time. Rising unemployment spreads uncertainty about employment prospects

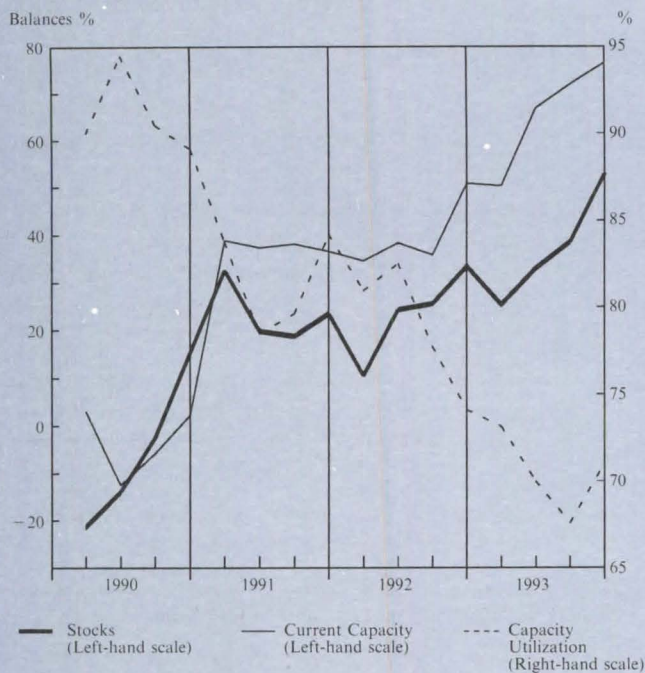
while wage moderations for reasons of competitiveness reduce the room for growth in real wages. Limiting government budget deficits will lead to higher taxes and to cuts in social security benefit schemes. These worries about the income outlook are reflected in the stagnation of consumer sentiment concerning the financial situation of households (Table 11). They are also visible in the **consumer** survey results concerning car purchase intentions within the next two years (Graph 4). For the EC total, this indicator has been on a continuous decline for five quarters since October 1992. The evolution is not as gloomy in Denmark, Ireland and the Netherlands where car purchase intentions show no clear negative trend, while in Italy the lowest point may have been reached in April 1993 (Table 12).



¹ European Community and Germany are considered excluding the new Länder.

GRAPH 5: Motor Vehicle Industry: Supply Indicators

EUROPEAN COMMUNITY



Source: European Community Business Surveys.

The other car demand indicators, resulting from the business surveys among managers in the motor vehicle **industry**, show a slightly less pessimistic picture (Graph 4). The indicator on new orders in recent months has also been on a downward slope since April 1992, but rises from -48 to -15 in October 1993. The assessment of order-book levels has become a little less negative in the last two quarters of 1993, after worsening almost continuously since 1990. The same movement in the last two quarters of 1993 is seen in the indicator for export order-book levels and in the indicator for production expectations for the months ahead.

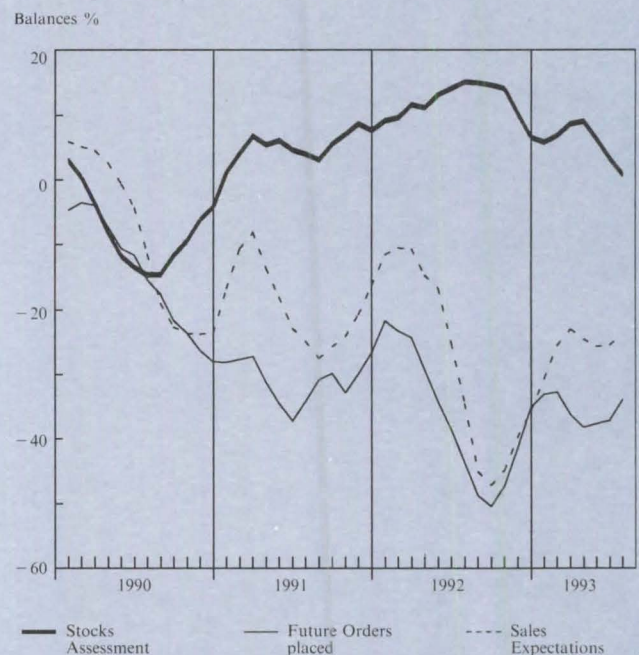
While surveys among managers in the motor vehicle industry and among consumers hardly show any sign of diminishing pessimism, the situation in the motor vehicle **retail trade** is quite different. In the retail trade pessimism about sales expectations and about future orders placed with suppliers has diminished clearly since end-1992 (Graph 6). The contrast with industry and consumer results is partly explained by the influence of the United Kingdom on retail trade results. When considering an EC

total without the UK, the sales expectations indicator is only going up by 16 points between November 1992 and September 1993, compared with a surge of 23 points over the same period in the total including the UK. A similar remark applies to the future orders placed: without the UK approximately one out of two managers plans a reduction of future orders in September 1993, this figure becomes only one out of three including the UK. In the UK indeed, sales expectations and opinions about future orders are optimistic, the positive replies even outweighing negative ones for these questions.

In 1993 the motor vehicle trade gradually brought its stock to a level considered normal, while the industry is confronted with a stock clearly considered above normal (Graph 5). Weak demand has put downward pressure on capacity utilization, which has continuously fallen between April 1992 and July 1993, before finally increasing again in October 1993. Current production capacity is of course considered to be more than sufficient.

GRAPH 6: Indicators for Motor Vehicle Trade

EUROPEAN COMMUNITY



Source: European Community Business Surveys.

TABLE 12: Car Purchase Intentions

	1991				1992				1993			
	Jan.	Apr.	July	Oct.	Jan.	Apr.	July	Oct.	Jan.	Apr.	July	Oct.
B	-51	-48	-48	-49	-48	-49	-53	-55	-53	-55	-51	-59
DK	-77	-77	-72	-78	-75	-71	-70	-73	-72	-71	-74	:
D	-30	-31	-35	-36	-32	-39	-37	-39	-39	-37	-41	-42
GR	-74	-76	-78	-81	-79	-80	-80	-85	-84	-85	-88	:
F	-71	-76	-74	-72	-72	-76	-75	-75	-78	-76	-77	-79
IRL	-50	-52	-51	-55	-51	-57	-53	-56	-53	-53	-60	-51
I	-48	-49	-51	-53	-49	-49	-50	-59	-58	-65	-61	-64
NL	-39	-42	-47	-43	-43	-46	-45	-41	-43	-47	-43	-44
EUR	-50	-52	-53	-53	-51	-55	-54	-57	-57	-58	-59	-59

Balances: i.e. differences between the percentages of respondents giving positive and negative replies, putting a weight of 0.5 on the 'fairly (un)likely' answers. (Question 'how likely are you to buy a car within the next 2 years?')

Source: EC Consumer surveys.

Box 1: Methodology of the calculation of the results presented in graphs 3 up to 7

1. Definition of the EC total (always without Eastern Germany)

- industry survey results: arithmetic average of the results for D, F, I and UK (motor vehicle manufacturing sector — for the UK: including manufacturing of bodies, trailers, caravans, parts and accessories);
- retail trade survey results: weighted average of the results for B, DK, D, E, F, I, NL, P and UK (weighted by consumers' expenditure);
- consumer survey results: weighted average of the results for B, DK, D, GR, F, IRL, I and NL (weighted by consumers' expenditure).

2. Data treatment

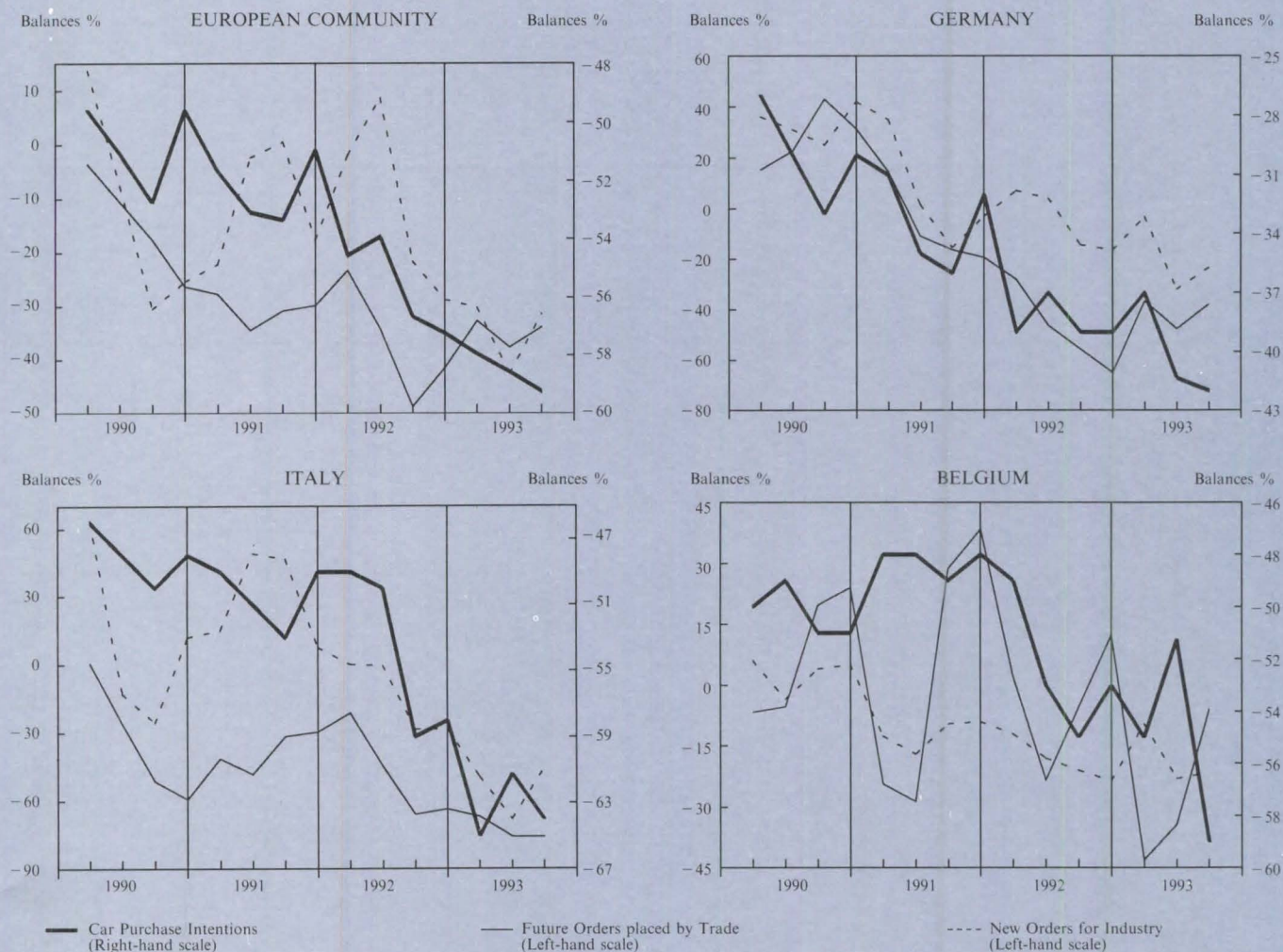
- the survey results are not seasonally adjusted, while the passenger car registrations are seasonally adjusted;
- industry: for the monthly questions we take the three month moving average, centered on the last month. For graph 7, results (new orders for industry) are two quarter moving averages, centered on the last quarter;
- retail trade: three month moving average, centered on the last month. For graph 7, results (future orders placed by trade) for October 1993 are supposed to be equal to those for September 1993.

The consecutive steps in the car selling process can be followed through the different survey results (Graph 7). If consumers lower car purchasing intentions, the retail trade will react to this by reducing the orders they planned to place, to limit the growth of the stock. The evolution of the orders placed by retail trade will be reflected, with a lag², in the evolution of the new order for industry. This parallel will be obvious when exports and imports of cars are relatively small, compared with the domestic market. For the EC as a whole, for Germany and for Italy, orders

from retail trade and orders for industry are indeed moving in a very similar way. This is not the case for Belgium, a country where international trade in cars is more important.

² One has to take into account the different time dimensions of the questions. Consumers are interrogated about their car purchasing plans within the next two years, while managers in retail trade are questioned about the future orders during next (three) months and managers in industry are giving an opinion on new orders in recent months.

GRAPH 7: Car Sales Indicators



Source: European Community Business and Consumer Surveys.

Prices (excluding VAT) in Luxembourg

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